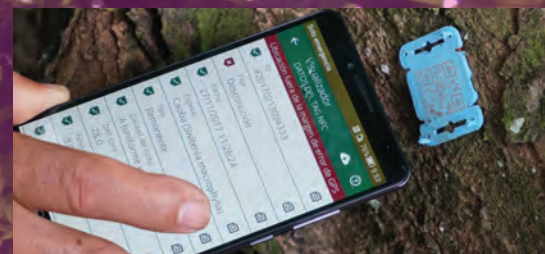


ITTO annual report 2018



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Annual report 2018

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The International Tropical Timber Organization (ITTO) is an intergovernmental organization promoting the conservation and sustainable management, use and trade of tropical forest resources. Its members represent the bulk of the world's tropical forests and of the global tropical timber trade. ITTO develops internationally agreed policy documents to promote sustainable forest management and forest conservation and assists tropical member countries to adapt such policies to local circumstances and to implement them in the field through projects. In addition, ITTO collects, analyzes and disseminates data on the production and trade of tropical timber and funds projects and other actions aimed at developing sustainable forest industries at both the community and industrial scales. Since it became operational in 1987, ITTO has funded more than 1000 projects, pre-projects and activities valued at more than USD 400 million. All projects are funded by voluntary contributions, the major donors to date being the governments of Japan and the United States of America.

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Front-cover photo: TRAFFIC

Front-cover inserts: H. Chanrithy/FAC (left); T. Sánchez (centre); R. Carrillo (right)

Back-cover inserts: G. Sánchez-Vigil (left); Afrique Green Side (centre); Betung Kerihun National Park (right)

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Acronyms

CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CTSP	CITES Tree Species Programme
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FLR	forest landscape restoration
FY2018	fiscal year ended 31 December 2018
IMM	Independent Market Monitor
ITTO	International Tropical Timber Organization
REDD+	reducing emissions from deforestation and forest degradation, including the role of conservation, sustainable management of forests and enhancement of forest carbon stocks

REDDES	(thematic programme on) Reducing Deforestation and Forest Degradation and Enhancing Environmental Services in Tropical Forests
SDG	Sustainable Development Goal
SFM	sustainable forest management
TFLET	(thematic programme on) Forest Law Enforcement, Governance and Trade
USA	United States of America
USD	United States dollar(s)

Message from the Executive Director

As this annual report shows, ITTO made progress on many fronts in 2018 in fulfilling its mission.

There is certainly much to be done. Forest degradation is advancing rapidly, especially in the peripheries of the big tropical rainforests and in drier areas where people must satisfy their daily needs for wood and non-wood products.

It is clear that, to maximize the role of productive tropical forests in sustainable economic development, we must address a wide range of factors, such as daily demand for woodfuel and timber among local communities, a lack of expertise in forestry management, a failure to invest, illegal practices, and reduced forest vitality due to climate change. As summarized in this annual report, ITTO is tackling such issues in both its policy work and its project programme.

Ultimately, tropical forests will be conserved when higher value is created in the sustainable supply of products and services. Indeed, a large reason for the existing high rates of deforestation and degradation has been the lack of competitiveness of sustainable forest management (SFM).

We can derive optimism from the willingness now being shown in the private sector and international trade to set up legal and sustainable deforestation-free supply chains for food and wood products. I am proud that ITTO has always been a leader in this field, and we took further steps in 2018 by convening a workshop in China to bring together some of the country's largest wood-product companies and other stakeholders to discuss building global green supply chains for forest products. Such a quest will not happen overnight, but ITTO is committed to working with all stakeholders to help make it a reality through the China initiative and others.

Also in 2018, ITTO continued working with partner organizations—including member organizations of the Collaborative Partnership on Forests, national agencies, and many non-governmental organizations—in a wide range of fields through a host of projects and other activities. ITTO and our partners share a vision, and our objectives align in many ways. The common ground among us is perhaps best encapsulated in the Sustainable Development Goals (SDGs), which represent a vision of the future in which all people thrive, the planet's biodiversity is conserved, and essential environmental services are maintained and improved.

ITTO's mission is fully in line with this vision. I thank the International Tropical Timber Council, ably led by Dr Zhang Zhongtian as its chair in 2018, for its guidance. I also thank my colleagues in the Secretariat for their hard work throughout the year.



Photo: EY Japan

Akahori Satoshi



Sadly, the ITTO Secretariat lost a valued staff member in 2018. Mr Akahori Satoshi, ITTO Director of Forest Management, died in Japan, his home country, on 25 June 2018, aged

55. Satoshi joined ITTO on 1 April 2018 after a successful career in Japan's Forestry Agency, where he held a number of posts, including Director General of the Forest Training Institute; Director of the Forest Utilization and Conservation Division; and Director of International Forestry Cooperation. He also worked on international forestry issues before joining ITTO, including in a secondment to the Food and Agriculture Organization of the United Nations (FAO) in 1990–1992.

Despite serving at ITTO for only a few months, Satoshi contributed valuable expertise to the Secretariat on various aspects of SFM, forest governance, timber legality and international cooperation, among others.

All who knew him will remember him for his bright personality, great sense of humour, and willingness to help everyone who crossed his path. He is sorely missed by his family, his colleagues in the ITTO Secretariat and the Forestry Agency, and many others.



Members of the MALEBI women's association in Côte d'Ivoire head to work. Photo: R. Carrillo/ITTO

1. International Tropical Timber Council

The 54th Session of the International Tropical Timber Council heard that efforts to encourage sustainable supply chains, increase the role of women, and cooperate on promoting sustainable tropical timber will help build momentum for the Organization.

The Council, which is ITTO's governing body, meets at least once a year to discuss a wide-ranging agenda aimed at promoting sustainable tropical forest management and the trade of sustainably produced tropical timber. Its 54th session was held on 5–9 November 2018 at ITTO headquarters in Yokohama, Japan.

In a speech at the opening of the session, Council chair Mr Zhang Zhongtian said that ITTO's internal governance now meets or exceeds international standards and the Organization is poised to resume its leadership role in the global forest community.

Mr Zhang said that the Special Report of the Intergovernmental Panel on Climate Change, published in October 2018, had sent a clear signal about the crucial importance of productive forests, sustainably produced forest products and a circular economy in averting disastrous climate change.



Dr Dieterle (second from left) speaks from the podium on the opening day of the 54th Session of the International Tropical Timber Council. Photo: K. Sato/ITTO



The Chairperson of the International Tropical Timber Council in 2018, Dr Zhang Zhongtian (left), receives a framed gavel from incoming Chairperson, Mr John Leigh, at the close of the 54th Session of the International Tropical Timber Council. Photo: K. Sato/ITTO



A demonstration during the field trip to Doshi village, in which water was poured into two containers acting as water filters, one filled only with soil and the other with soil planted with tree seedlings. Muddy water gushed straight out of the soil-only container, but clear water trickled slowly from the container with seedlings. Photo: K. Sato/ITTO

“Since its very beginning, ITTO has, through policies and field projects, promoted sustainable forest management, sustainable timber production and sustainable trade in forest products,” said Mr Zhang. “We are a long-time leader, therefore, in efforts to develop a more circular, sustainable economy. With its now best-practice governance, ITTO is fully primed to assume a lead role in this renewed global push for sustainable supply chains.”

Council members also heard from high-level dignitaries, including Mr Alain-Richard Donwahi, Côte d’Ivoire’s Minister of Water and Forests; Ms Rosalie Matondo, the Congo’s Minister of Forest Economy (through Mr Felix Ngoma, Ambassador of the Congo to Japan); Mr Benito Owusu-Bio, Deputy Minister of Lands and Natural Resources of Ghana; Mr Hongo Koji, Deputy Director General of the Japan Forestry Agency; Mr Watanabe Katsunori, Deputy Mayor of the City of Yokohama; Mr Mitsugi Hiroto, FAO Assistant Director General; and Ms Marjolijn Sonnema, the Netherlands’ Vice-Minister for Agriculture at the Ministry of Agriculture, Nature and Food Quality. Among other things, these speakers highlighted ITTO’s role in promoting community forestry in various African countries; joint work with other international organizations in promoting sustainable value chains; and the potential of tropical forests to make major contributions towards the achievement of the SDGs and the opportunities this presents for the Organization.

A total of USD 3.83 million of voluntary contributions was pledged or confirmed at the Council session. This amount includes confirmation of a pledge of USD 1.24 million made by the Government of Germany at the previous session in 2017. The voluntary contributions will be used for a range of activities in the Organization’s Biennial Work Programme.



Ms Marjolijn Sonnema, the Netherlands’ Vice-Minister for Agriculture, said forests have the potential to make a major contribution to the achievement of the 2030 Sustainable Development Agenda and the SDGs. Photo: Y. Kamijo

ITTO Fellowships were awarded to 22 applicants—including six women—from 12 producer member countries, at a total value of about USD 140 000.

Donors at the session were Germany, the United States of America (USA) and the Republic of Korea.

During the session, the Council's technical committees reviewed ITTO-funded projects and activities and declared several completed.

The Council made several decisions, mainly related to administrative measures and to fundraising designed to generate more resources for fulfilling ITTO's mandate. The Council adopted the ITTO Anti-Money Laundering and Counter Terrorism Financing Policy and reached a decision on the issue of rotation in the framework of the selection of the Executive Director.

Council delegates visited the headwaters of the Doshi River, which supplies Yokohama with drinking water, on day 5 of the session. The aim of the field trip was to showcase best practices in watershed management and the successful implementation of a payment scheme for environmental services.

All decisions made at the session, and other Council documents, including financial statements, are available at www.itto.int/council_committees/decisions and www.itto.int/council_committees/documents

Highlights of the 54th Session of the International Tropical Timber Council, including photos, presentations and videos, are available at www.itto.int/ittc-54



The Council heard from a Civil Society Advisory Group panel urging a stronger role for women in forestry. Photo: K. Sato/ITTO



Members of the Long Napir community sit with some of their handicrafts. Photo: T. Yanuariadi/ITTO

2. Results and impacts of ITTO field projects in 2018

This chapter presents selected completed and ongoing projects to illustrate the Organization's field work. The projects are presented based on the strategic priorities of the current ITTO Action Plan.

For more information on the ITTO Action Plan, visit www.itto.int/council_committees/action_plans

Strategic priority 1: Promote good governance and enabling policy frameworks for strengthening SFM and related trade, and enhancing SFM financing and investment

ITTO is assisting the efforts of its members to ensure that forest laws, rules and regulations are complied with during the harvesting, transport, processing and trade of forest products and to address non-compliance with subnational, national and international laws concerning forests and forestry.



Company employees conduct a forest inventory using BoManejo. Photo: Embrapa

A tool to support SFM planning in the Amazon

<i>Project title</i>	Sustainable management of production forests at the commercial scale in the Brazilian Amazon—Phase II (Brazil)
<i>Project identifier</i>	PD 452/07 Rev.5 (F)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 1 447 891
<i>Implementing agency</i>	Embrapa Amazônia Oriental
<i>Donor</i>	Japan
<i>Relevant SDGs</i>	8, 9, 12, 13 and 15

In the Brazilian Amazon, operators are required by law to follow sustainable forest management plans (SFMPs) that have been approved by the appropriate governmental institutions. This project has developed a tool, BoManejo (based on the outputs of an earlier ITTO project), to assist in making SFMPs. BoManejo can also be used to generate reports and spreadsheets for submission to governmental licensing offices, which review the documentation before approving annual operational plans and issuing authorizations for forest logging.

The tool has proven effective in pilot programmes and implementation. The project is now working to get more timber businesses to use the tool to improve their own efficiency and boost efforts to achieve SFM.

Developing criteria and indicators in Thailand

<i>Project title</i>	Development and implementation of criteria and indicators for sustainable management of planted forests and community forests in Thailand
<i>Project identifier</i>	PD 470/07 Rev.1 (F)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 258 674
<i>Implementing agency</i>	Royal Forest Department in collaboration with the Department of National Parks, Wildlife and Plant Conservation, Thailand
<i>Donor</i>	Japan
<i>Relevant SDGs</i>	8, 11, 12 and 15

National criteria and indicators for SFM are needed in Thailand to encourage the development and sustainable management of planted and community forests. Stakeholders have been consulted under the project in various forums at the national to local level, and site visits have been made, with a view to gathering data and insights and ensuring that all voices are heard. The National Working Group reviewed a first draft of the criteria and indicators, which is now being revised in light of feedback.

Improving forest governance in Panama

<i>Project title</i>	Tropical forest governance in Darién, Panama
<i>Project identifier</i>	PD 602/11 Rev.3 (F)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 616 163
<i>Implementing agency</i>	WWF Panama
<i>Donors</i>	Japan, USA
<i>Relevant SDGs</i>	12, 13 and 15

This project is establishing an institutional and governance framework designed to prevent illegal logging, including timber-flow monitoring systems, forest permit verification systems, financial incentives for responsible forest management, and responsible purchasing campaigns.

A key output of the project to date has been the development of a timber traceability system designed to track timber from the forest to the market. It has already reduced forest illegality, with benefits for forests, managers, companies and the government. The system enables the tracking of trees using electronic devices—chips—from the moment they are identified to the point at which the timber reaches consumers. It is collecting information on around 700 harvested trees per day, and the Ministry of Environment is planning to expand its use to other regions of the country. This project is closely related to another project (TFL-PD 044/13 Rev.2 (M)).

Strategic priority 2: Increase the contribution of tropical forests to national and local economies, including through international trade

ITTO recognizes the potential for the expansion and diversification of trade in products originating from sustainably managed tropical forests to contribute to sustainable development. The Organization encourages sustainable tropical-forest-based industries and trade through dialogue, partnerships, policy development and projects.

Increasing forest business capacity in small enterprises in Guatemala

<i>Project title</i>	Development of a business management services program of forest micro, small and medium enterprises in Guatemala
<i>Project identifier</i>	PD 756/14 Rev.1 (M)
<i>Status</i>	Completed
<i>Cost</i>	USD 275 053
<i>Implementing agency</i>	Instituto Nacional de Bosques
<i>Donor</i>	USA
<i>Relevant SDGs</i>	1, 8, 9 and 15

Many local communities in Guatemala have created businesses based on the sustainable use of forests for the production of forest goods and services. Such businesses usually start as local non-profit social development projects, and they lack capacity in production and marketing.

With assistance from an ITTO project, local women in Bali and elsewhere are becoming more involved in the bamboo industry. Photo: FORDA



To address this, the project selected more than 40 small and medium-sized enterprises across the country for assistance in the development of business plans. It provided these enterprises with training in business management, as well as coaching on how to extend this training to others with a view to expanding the training to hundreds of local entrepreneurs. The 40 targeted enterprises were also encouraged to participate in regional marketing events, greatly increasing the size of their potential markets. Moreover, the project encouraged Guatemala's National Institute of Forests to increase its reach by providing extension services in nine additional administrative regions.

Developing the bamboo industry in Indonesia

<i>Project title</i>	Capacity building for efficient and sustainable utilization of bamboo resources in Indonesia
<i>Project identifier</i>	PD 600/11 Rev.1 (I)
<i>Status</i>	Completed
<i>Cost</i>	USD 872 032
<i>Implementing agency</i>	Forestry Research and Development Agency, Ministry of Forestry
<i>Donors</i>	Australia, Japan and Switzerland
<i>Relevant SDGs</i>	1, 5, 9, 11, 12 and 15

The aim of this project was to assist local communities in pilot areas to increase, add value to and better manage their bamboo resources. Among other things, the project created a new bamboo treatment facility in East Nusa Tenggara Province aimed at increasing the longevity of bamboo products using a non-chemical, environmentally friendly preservation treatment. The project also developed a model for capacity building in Bali Province that can be replicated elsewhere in Indonesia as part of the "1000 Bamboo Villages" programme, which is designed to support the development of a thriving national bamboo industry.

The project conducted a survey of bamboo resources and feasibility studies on the development of the bamboo industry; enabled the planting of 2000 high-economic-value bamboo shoots in Kintamani; produced a guidebook on bamboo seeding and nursery techniques; and provided support to women in developing their bamboo-weaving enterprises.

Strategic priority 3: Enhance the conservation and sustainable use of biodiversity in tropical timber producing forests

Natural tropical forests are rich in biodiversity and play crucial roles in economies at the local to national scales, yet they are under immense pressure and need protecting. Through projects and policy development, ITTO is assisting producer member countries to implement strategies for the protection and sustainable management of these vital resources.

Conserving biodiversity, enabling communities on Borneo's border

<i>Project title</i>	Promoting biodiversity conservation in Betung Kerihun National Park in the transboundary ecosystem between Indonesia and Malaysia, Phase III (Indonesia)
<i>Project identifier</i>	PD 617/11 Rev.4 (F)
<i>Status</i>	Completed
<i>Cost</i>	USD 1 214 479
<i>Implementing agency</i>	Betung Kerihun National Park, Directorate General of Forest Protection and Nature Conservation, Ministry of Forestry
<i>Donors</i>	Japan, Switzerland and USA
<i>Relevant SDGs</i>	1, 5, 12, 13 and 15

In this third phase of a long-running project, local communities and governments worked together and shared knowledge to ensure that both people and the environment continue to thrive in the transboundary area near the Betung Kerihun National Park (on the Indonesian side) and the Lanjak-Entimau Wildlife Sanctuary (on the Malaysia side). About 65 people from countries throughout Southeast Asia attended a conference on transboundary conservation in Indonesia conducted as part of the project, sharing best practices and knowledge.

The project surveyed local flora and fauna to provide data to assist management planning. Sixteen community action plans were developed with the aim of improving local livelihoods, which can now be put into action with appropriate support. Efforts were made to establish ecotourism and biogas production facilities to provide local economic benefits. Local non-governmental organizations strongly supported the project by, for example, helping provide communities with education, training and other support. Women have been especially active in building an ecotourism industry in the area, bringing additional revenue to their communities.

The project produced seven technical reports on various aspects of the Betung Kerihun National Park and its management.

Conserving mangroves and making a living

<i>Project title</i>	Strengthening mangrove ecosystem conservation in northwestern Peru
<i>Project identifier</i>	PD 601/11 Rev.3 (F)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 958 220
<i>Implementing agency</i>	Mecanismos de Desarrollo Alterno
<i>Donors</i>	Japan and USA
<i>Relevant SDGs</i>	1, 11, 14 and 15

Mangroves are highly vulnerable to climate change, but they are also capable of storing large quantities of carbon and thus helping to reduce the concentration of greenhouse gases in the atmosphere. Many mangrove areas are protected in Peru, but those in the Piura and Tumbes regions in the country's northwest are largely unprotected and have become degraded. Increasing local participation in mangrove protection efforts can bring benefits for communities and mangrove systems.

With assistance from the project, almost 1600 hectares of new conservation area have been created for mangrove conservation and sustainable use. The project is helping local organizations and businesses to grow their ecotourism and other mangrove-based enterprises, including the sustainable harvesting of shrimp, black shellfish and seaweed. It is also providing training to six local communities in the sustainable management of mangrove resources.

The project mapped Peru's mangrove ecosystems and published a technical report on how these crucial ecosystems can best be protected by local communities.



*A monitoring centre in the Betung Kerihun National Park, which benefited from a long-running ITTO project.
Photo: Betung Kerihun National Park*

Strategic priority 4: Reduce tropical deforestation and forest degradation and enhance the provision of environmental services

Large areas of tropical forest have been degraded or lost globally, with the associated loss of environmental services. ITTO is assisting its members to restore forests with the aim of increasing the provision of environmental services and generating new sources of revenue and employment for individuals, enterprises and governments.

Enabling local communities to restore forest reserves in Ghana

<i>Project title</i>	Management of forests established through rehabilitation of degraded forests by local communities in Ghana
<i>Project identifier</i>	PD 530/08 Rev.3 (F)
<i>Status</i>	Completed
<i>Cost</i>	USD 642 534
<i>Implementing agency</i>	Forestry Research Institute of Ghana
<i>Donor</i>	Japan
<i>Relevant SDGs</i>	1, 2, 5, 13 and 15

Gaining access to land is difficult in Ghana, and many local communities rely heavily on forest reserves for their livelihoods; the degradation of forest reserves, therefore, can affect entire communities. This project worked with local communities in three districts, providing them with access to forest reserves in which more than



Farmers plant indigenous tree seedlings at the Ntabene community project site in the Pamu Berekum Forest Reserve, Ghana, as part of ITTO project PD 530/08 Rev.3 (F). Photo: L Damnyag/CSIR

22 hectares of degraded forests were restored. Simultaneously, the communities were enabled to use land in the reserves for agroforestry under a modified *taungya* system (in which food crops are planted among the trees) as a way of producing food and generating supplementary income. The project also contributed to government efforts to prevent illegal logging and cattle grazing in the forest reserves and increased the value of these reserves. The Forestry Commission will now apply the approach to other areas of the country.

Nurseries established by the project, as well as the agroforestry sites reforested, are now all worked by local communities, and women play a strong role. Women are active in agriculture, transportation and monitoring, and they are on an equal footing with their male counterparts.



Project PD 601/11 Rev.3 (F) developed strategies such as canoe races to increase the revenue obtained by local communities in conserving mangroves in a biosphere reserve in northwestern Peru. Photo: Mecanismos de Desarrollo Alterno

Improving mangrove governance in Guatemala

<i>Project title</i>	Strengthening of governance and sustainable management of mangrove ecosystems in Guatemala as a climate change adaptation measure
<i>Project identifier</i>	RED-SPD 079/12 Rev.1 (F)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 215 223
<i>Implementing agency</i>	Instituto Nacional de Bosques
<i>Donor</i>	REDDES thematic programme
<i>Relevant SDGs</i>	1, 2, 11, 14 and 15

The aims of this project are to protect vulnerable mangrove forests in Guatemala; improve mangrove management to prevent further ecological degradation; and support local communities by reducing the risk of food insecurity and economic instability caused by ecological failure.

The project has established four community forests in mangrove areas covering more than 500 hectares as pilot areas for the implementation of conservation and sustainable management approaches. More than 100 community members have received training in mangrove conservation and sustainable use—with the modules and materials developed for this training suitable for dissemination in other areas and regions. Local stakeholders came together in a series of nine roundtables focused on mangrove conservation, management and restoration, at which they developed local action plans for improving mangrove management as part of an overall national strategy.

Restoring degraded land with planted forests for biofuel in Indonesia

<i>Project title</i>	Developing wood-based biomass energy through efficient utilization of degraded forest lands involving local communities in North Sumatra, Indonesia
<i>Project identifier</i>	PD 737/14 Rev.2 (I)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 787 502
<i>Implementing agency</i>	Directorate General of Forestry Utilization Management
<i>Donor</i>	Japan
<i>Relevant SDG</i>	7

Indonesia is striving to increase its supply of renewable green energy, including with forests. For example, it plans to use biomass grown by local communities on degraded land in northern Sumatra to support the development of a green-energy sector. This will both help improve the quality of forests in the area and provide local people with new employment opportunities.

The project has established demonstration areas on newly acquired land and is training local people in managing the biofuel plantations and producing and marketing biofuel. Training is being extended to 50 villages in 13 districts.

Customary landowners in Papua New Guinea plant high-value trees in degraded grasslands

<i>Project title</i>	Encouraging landowners in the lowlands of Central Province, Papua New Guinea, to reforest grasslands with high-value trees
<i>Project identifier</i>	PD 552/09 Rev.1 (F)
<i>Status</i>	Ongoing
<i>Cost</i>	USD 828 576
<i>Implementing agency</i>	PNG Forest Authority
<i>Donor</i>	Japan
<i>Relevant SDGs</i>	1, 13 and 15

The central provinces of Papua New Guinea have been subject to considerable deforestation, and much of the deforested area now comprises degraded grassland. The country has pledged to plant 800 000 hectares of forest by 2050 as part of *Operation Painim Graun na Planim Diwai*. To do this, landowners in the central provinces must be convinced to plant trees, including high-value trees such as teak.

The project has provided communities in the project area with training, supplies and tools to encourage restoration. School children are being taught the value of trees, and landowners are learning the financial benefits of growing cash trees sustainably. In three demonstration areas, owners willing to replant their lands with trees were given tree-growing toolkits and small-business information packs to assist them in doing so, and a central hub was created to produce seedlings for forest restoration. The approach has proven highly effective, with 29 landowners restoring 5 hectares of degraded lands in 2018. The model can be adopted in other regions as a cost-effective means for restoring degraded lands and thereby enabling the government to achieve its restoration goals.

Strategic priority 5: Improve the quality and availability of information on tropical forests, forest product markets and trade

ITTO works to improve market intelligence and increase transparency in international timber markets, recognizing that the expansion and diversification of trade in products originating from sustainably managed tropical forests can contribute substantially to sustainable development.

Improving forest data in Côte d'Ivoire

Project title	Implementation of a national information system for the sustainable management of forest resources in Côte d'Ivoire
Project identifier	PD 692/13 Rev.1 (M)
Status	Ongoing
Cost	USD 670 998
Implementing agency	Ministry of Environment, Water and Forests
Donors	Japan and USA
Relevant SDGs	12, 13 and 15

Before this project, the lack of computerization of forest-related data in Côte d'Ivoire was reducing the effectiveness and efficiency of forestry decision-making and law enforcement. Moreover, it was limiting the capacity to share data between collection centres, resulting in significant differences and a lack of cohesion in national data.

The project overcame a lack of suitable infrastructure to enable the introduction of computerized systems in 12 statistics collection centres in the country and their connection via the internet. Now, the system is tracking about half of the roundwood production within the scope of these centres, and this should increase over time. Users have been trained to use the system, thereby unifying data management and enabling improvements in the system over time as more data are collected.

Strategic priority 6: Build and develop human resource capacity to implement SFM and increase trade in forest goods and services from sustainably managed forests

ITTO has a strong focus on enabling local communities and industries to sustainably use forest resources. Working closely with local people and building their capacity to engage in forest-based enterprises and decision-making helps ensure the sustainability of ITTO projects and activities after their official completion. Working with industry is also crucial for ensuring SFM, wood-processing efficiency, and the sustainability of international trade.

Bringing stakeholders together for forest planning

Project title	Community forest management: a sustainable alternative for the Maués State Forest, Amazonas State, Brazil
Project identifier	PD 454/07 Rev.3 (F)
Status	Completed
Cost	USD 650 332
Implementing agency	Institute of Amazonian Research and Development
Donors	Japan and USA
Relevant SDGs	1, 5, 11, 12 and 15

This project, which encouraged community forestry around the Maués State Forest, benefited 19 traditional communities on about 450 000 hectares of forestland. The communities have lacked sustainable sources of income, and the forests have become degraded as people have eked out their living. Enabling the communities to benefit from SFM is improving both economic and ecological outcomes in the area.

After an education process on community forest management, environmental education and codes of conduct, the project brought stakeholders together to jointly develop five community forest management plans in the Maués forest, making use of the knowledge and expertise of stakeholders to ensure that each plan was tailored to the specific needs of individual areas. These plans have been submitted to the state government and, to date, two have been licensed. The communities have gained considerable knowledge and skills in SFM and are moving towards sustainable community forest management and production. Among other things, the project helped empower women through an ongoing community development process.



Information-technology equipment is delivered to the data collection centre at the Departmental Directorate of Water and Forests in Daloa, Côte d'Ivoire. Photo: SIGAF

Increasing access to the forest to boost incomes and forest protection in Indonesia

<i>Project title</i>	Strengthening the capacity of local institutions to sustainably manage community forestry in Sanggau, Indonesia
<i>Project identifier</i>	TFL-PD 032/13 Rev.2 (M)
<i>Status</i>	Completed
<i>Cost</i>	USD 511 730
<i>Implementing agency</i>	Forestry Research and Development Agency, Ministry of Forestry
<i>Donor</i>	TFLET thematic programme
<i>Relevant SDGs</i>	1, 8, 13 and 15

This project worked with local communities in Indonesia's Sanggau Regency, as well as with private companies and the government, to improve forest management and enable local people to profit from forests sustainably. The communities are now managing 3850 hectares of state-owned forests, using them for ecotourism, agroforestry and the production of organic fertilizer.

The work has boosted the profitability of many small local enterprises, with ecotourism and markets for local foods and handicrafts flourishing. Meanwhile, forest quality is improving as local people apply their management skills and protect the forests from illegal activities.

Recovering from civil war and restoring forests in Côte d'Ivoire

<i>Project title</i>	Rehabilitation and restoration of degraded forests in Côte d'Ivoire with the involvement of local communities, including refugees and internally displaced people
<i>Project identifier</i>	PD 419/06 Rev.3 (F) EXT-TICAD5 Rev.1
<i>Status</i>	Completed
<i>Cost</i>	USD 2 318 280
<i>Implementing agency</i>	SODEFOR
<i>Donor</i>	Japan
<i>Relevant SDGs</i>	1, 2, 10, 13, 15 and 16

In the wake of a civil war, Côte d'Ivoire is seeking to bring people together, including through the restoration of degraded forests. The aim of this project was to match restoration work of about 5500 hectares in the gazetted forests of Scio and Duekoue with the humanitarian needs of internally displaced people, refugees and local people.

A major component of the project was a series of sensitization campaigns to bring local leaders together in ways that would, over time, help heal the wounds inflicted by the civil war. The campaigns encouraged a sense of collaboration and led to the implementation of forest restoration and SFM involving people living in the area. The project helped establish *taungya* agroforestry systems and to enrich and protect natural forests using high-quality seeds of indigenous and exotic tree species.

The project enabled the establishment of nine cooperatives (with more than 7000 members) in nine villages for the management of warehouses, the installation of food-processing equipment in those warehouses, and management training for members of the cooperatives. The project helped improve the living standards of beneficiaries and the daily lives of women and contributed to food security.



Women and children pose outside one of the warehouses build by ITTO project PD 419/06 in the province of Duekoue, Côte d'Ivoire. Photo: P. Masupa/ITTO

Improving watershed management and boosting local livelihoods in Malaysia

Project title	Community-based forest management of Sungai Medihit Watershed in Sarawak, Malaysia
Project identifier	PD 563/09 Rev.5 (F)
Status	Ongoing
Cost	USD 593 000
Implementing agency	Forest Department of Sarawak
Donor	Asia-Pacific Network for Sustainable Forest Management and Rehabilitation
Relevant SDGs	1, 2, 10 and 15

Many indigenous communities in the Sungai Medihit Watershed—a remote, hilly area in Malaysia—rely for their subsistence on shifting agriculture and the collection of resources from increasingly disturbed forests. The aims of this project are to increase the capacity of communities to implement SFM and to take advantage of the associated economic benefits of this.

Today, the communities are much more involved in SFM, and average household income has risen. The project has helped develop local forest management plans for two demonstration areas, and these are now under implementation, with a monitoring system in place to assess the impacts. A key lesson is that the capacity of project team members to speak the local language has been instrumental in building trust between the communities and the project team.

All papers and reports published by ITTO projects can be found by inserting the project identifier into the search engine at www.itto.int/project_search

**SUSTAINABLE
DEVELOPMENT
GOALS**



Logging trucks wait to offload at Douala Port, Cameroon. Photo: A. Walmsley/TRAFFIC



3. Economics, statistics and markets

Review and assessment of the world timber situation

The Committee on Economics, Statistics and Markets reviewed selected data and analysis from the draft Biennial Review and Assessment of the World Timber Situation 2017–2018, focusing on the global trade in secondary processed wood products (SPWPs). It heard that some tropical exporter countries—particularly Viet Nam—had recorded significant growth in exports of SPWPs. China accounted for nearly one-third of global wooden furniture exports in 2017, although its cost competitiveness is declining, leading to a shift in lower-cost manufacturing to some other Asian tropical producer countries. Demand for SPWP imports continued to be dominated by the USA, European Union (EU) countries and Japan, closely linked to construction activity in those markets.

Tropical Timber Market Report

Twenty-three editions of the *Tropical Timber Market Report* were published in 2018, providing news and information on tropical timber market trends and trade from around the world.

The Tropical Timber Market Report is available (on free registration) at www.itto.int/market_information_service

Monitoring forest certification

The Committee on Economics, Statistics and Markets reviewed progress in forest and timber certification (to 2017) at its annual session in 2018. The total area of certified forests in ITTO producer countries was 56.3 million hectares in 2017, which was 9.9% of the global area of certified forests (512 million hectares). A total of 3405 chain-of-custody certificates were current in ITTO producer member countries, which was 7.5% of the total number of chain-of-custody certificates worldwide.

Market access for tropical timber and tropical timber products

At its annual session in 2018, the Committee on Economics, Statistics and Markets reviewed the situation on market access for tropical timber and tropical timber products. Four legislative instruments, the EU Timber Regulation, the Lacey Act amendments of the USA, Australia's Illegal Logging Prohibition Act, and Japan's Clean Wood Act were all in force in 2018, regulating timbers entering those timber markets. Other countries were also enacting legislation related to the legality of tropical timber.

ITTO worked in 2018 to assist the Japan Forestry Agency in the collection of relevant information for its Clean Wood Act website on Brazil, Ecuador, the Lao People's Democratic Republic, the Philippines and Thailand.



Inspection of sawnwood at the shipping yard of a mill in Guatemala. Photo: T. Yanuariadi/ITTO

Independent Market Monitoring of FLEGT-licensed timber

The Independent Market Monitor (IMM) was established under an EU-funded ITTO project to support the implementation of bilateral voluntary partnership agreements (VPAs) between the EU and timber-supplying countries and to analyze their market impacts.

Work undertaken by the IMM in 2018 included a survey of furniture importers, several trade consultations, and a survey of 96 companies in Europe on the impact of the Forest Law Enforcement, Governance and Trade (FLEGT) timber legality initiative. The latter survey found that most companies now consider that FLEGT licensing is making it easier to import timber products from Indonesia (the only country to date to have commenced exporting VPA-licensed timber).

Visit the IMM homepage at www.flegtim.eu/index.php

Annual Market Discussion

The 2018 Annual Market Discussion, which was held during the 54th Session of the International Tropical Timber Council, addressed the theme, “Private-sector tropical timber promotion initiatives—an opportunity for collaboration”. It found that, despite advances in sustainable tropical forest management, certification and legality verification, tropical timber traders continue to be challenged by changes in the species and products exported and by loss of market share to engineered wood and alternative materials. Various market promotion initiatives are underway to win over consumers. Speakers from Brazil, China, France, Gabon, the Netherlands, the USA and Viet Nam discussed how they perceived and were approaching tropical timber market promotion, and they presented ideas for innovative activities to recapture market share.

For the full story visit:
www.itto.int/ittc-54/market_discussion

4. Reforestation and forest management

Guidelines on forest landscape restoration

At its annual session in 2018, the Committee on Reforestation and Forest Management reviewed progress on revising the *ITTO Guidelines for the Management of Secondary Tropical Forests, the Restoration of Degraded Tropical Forests and the Rehabilitation of Degraded Forest Land*, published in 2002, to take into account global emerging issues and priorities. The committee heard that ITTO is engaged in the analysis of ongoing forest landscape restoration (FLR) programmes among members of the Collaborative Partnership on Forests. Professor Jürgen Blaser made a presentation to the Committee on the work done to date in reviewing these forest landscape restoration programmes and developing the guidelines.

For the full story visit www.itto.int/ittc-54/day2

Joint ITTO–Convention on Biological Diversity Collaborative Initiative for Tropical Forest Biodiversity

The aim of this initiative is to support ITTO producer member countries in enhancing local capacity for biodiversity conservation in production forests and improving the conservation and management of protected areas and their buffer zones, especially in association with transboundary conservation. At its annual session in 2018, the Committee on Reforestation and Forest Management reviewed progress in the implementation of the joint initiative, including the following:

- There were 12 operational projects in the three tropical regions as of October 2018, with more than USD 15 million mobilized.
- At its second meeting in July 2018, the Convention on Biological Diversity Subsidiary Body on Implementation welcomed information on the projects under the initiative.
- The initiative is contributing visibly to the achievement of the Strategic Plan for Biodiversity 2011–2020, especially the forest-related Aichi Biodiversity Targets 5, 7, 11 and 15.

For the full story visit www.itto.int/cbd



An officer marks a tree in a *Cedrela* plantation in Guatemala as part an ITTO project. Photo: L. Hurtado



*A forest community receives training on integrated fire management during a controlled burn in Chiquimala, Guatemala.
Photo: C. Gomez*

Prevention and management of fire

The Committee on Reforestation and Forest Management reviewed the participation of ITTO project teams and stakeholders in forest-fire-related meetings with the aim of increasing synergies between ITTO projects on forest fire and international mechanisms. It was recommended that ITTO fire management project stakeholders participate in the 7th International Wildland Fire Conference, to be held in October 2019 in Campo Grande, Mato Grosso do Sul, Brazil, with the theme, "Facing fire in a changing world: reducing vulnerability of landscapes and people by integrated fire management". Forest fires are a major threat to SFM on the ground, and the committee considered this activity to be a high priority.



5. Fellowships

The ITTO Fellowship Programme promotes human-resource development in member countries and strengthens professional expertise in tropical forestry and related disciplines. Since its establishment in 1989, the programme has enabled 1375 young and mid-career professionals from about 50 countries to pursue professional development opportunities and improve their career prospects. The total value of Fellowship awards is about USD 8 million, of which Japan has contributed 69%, the USA 17%, the Netherlands 8% and Australia 3%, with the remainder obtained from various sources, including the private sector.

In 2018, the International Tropical Timber Council awarded 22 Fellowships to professionals in 12 producer member countries at a total value of USD 139 563, based on the recommendations of a selection panel convened at the Council's 54th Session. Figures 1–3 show how these Fellowships were distributed by region, purpose and gender.

Figure 1: ITTO Fellowships awarded in 2018, by region

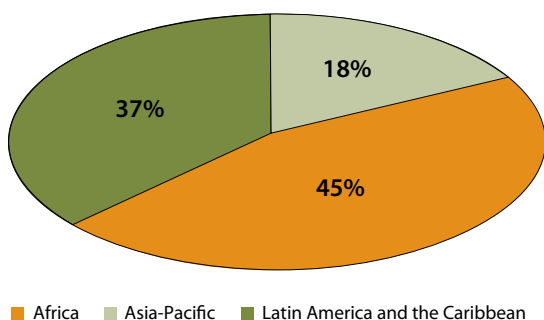


Figure 2: Purpose of ITTO Fellowships awarded in 2018

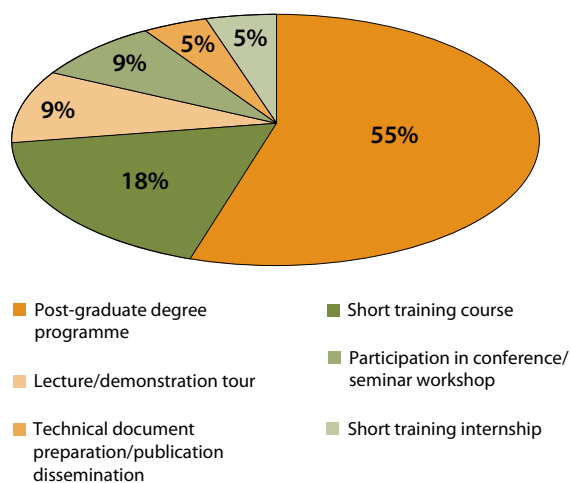
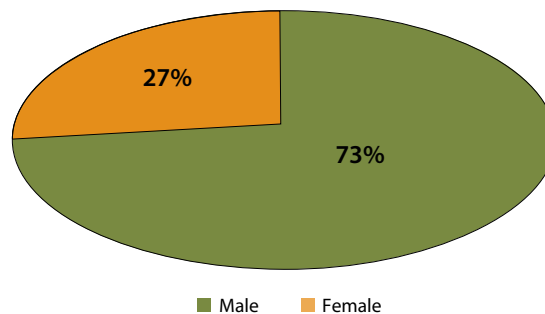


Figure 3: Gender of ITTO Fellowship awardees in 2018



Fellowship case studies

Sènan Ingride Legba *Benin*

In my doctoral study I worked alongside local people to improve the protection of plant diversity on a scientific basis and increase the social, political and cultural recognition of the benefits of protecting medicinal plants in sacred forests.

The main aim was to produce seedlings of seven rare tree species, which was done at an experimental site of the University of Abomey-Calavi. In addition, we conducted ethnobotanical studies of five other rare medicinal species with the aim of gaining a better understanding of their marketing channels and determining their availability and the various ways in which people use them.

The ethnobotanical survey showed the wide diversity of plant species used in traditional medicine and enabled the characterization of medicinal-plant subsectors and their impacts on people's standard of living. The greater knowledge obtained of the trade of rare medicinal plants and associated traditional knowledge will ensure better conservation of the various endangered medicinal species.

For the full story read *Tropical Forest Update* 27/4, pp. 22–23, at www.itto.int/tfu/back_issues

ITTO Fellow Sènan Ingride Legba (left) interviews a vendor as part of a survey to increase understanding of marketing channels for traditional medicines and to determine their availability in sacred forests and the various ways in which people use them. Photo: S.I. Legba



Manuel Sabino Mollinedo García
Guatemala

The aim of this study, conducted in collaboration with Miguel Ángel Herrera Machuca and Fernando Muñoz Sáez, was to assess the growth and productivity of young teak plantations (*Tectona grandis*) and to develop the first site index curves for the northern region of Guatemala.

Guatemala had a little more than 33 000 hectares of teak plantations in 2015, 80% of which was located in the study area. Data for the study were obtained from a network of 248 permanent sample plots established in these teak plantations.

We estimated that low-growth sites account for 16.3% of the total area, medium-growth sites for 70.7% and high-growth sites for 13.0%, and we developed site index curves for high- and low-growth sites based on the dominant height of assessed stands. These curves can be used to characterize other teak plantation sites at a plantation age of ten years.

For the full story read *Tropical Forest Update* 27/2, pp. 23–25, at www.itto.int/tfu/back_issues



Benedicto Gutierrez, a graduate student at Rafael Landívar University, inspects a 12-year-old teak tree grown on a high-quality site in Chahal, Alta Verapaz, Guatemala. Photo: Manuel Mollinedo

Bi Tra Aimé Vroh
Côte d'Ivoire

Successive reforestation initiatives have been applied on more than 8000 hectares in the Téné gazetted forest (*forêt classée de la Téné*—FCT) in the forest–savanna transition zone in central Côte d'Ivoire since 1986 using single and multiple species.

The overall objective of my study, conducted with several colleagues, was to produce an ecological and social diagnosis of the timber production systems deployed in the FCT. Specifically, this involved determining ecological and conservation values for plant diversity in the reforested areas of the FCT and analyzing relationships between local rural communities and the FCT.

The study could serve as a basis for widely promoting the use of *Cedrela odorata* for charcoal production in agroforestry systems involving cocoa and coffee plantations. The species exhibits good natural regeneration, thereby avoiding the need for the replanting operations associated with some other indigenous species.

For the full story read *Tropical Forest Update* 28/2, pp. 21–25, at www.itto.int/tfu/back_issues



The Téné gazetted forest provides local people with a wide range of foods, including a drink based on palm sap. Photo: B.T.A. Vroh



Community members cross a recently built bridge near the Pulong Tau National Park, Sarawak, Malaysia. Photo: © W. Cluny



6. International cooperation

ITTO Executive Director Dr Dieterle and other ITTO staff attended a range of international conferences and meetings in 2018 to communicate ITTO's mission and contribute constructively to policy dialogues relevant to the Organization's mandate. Some of the key messages presented at a selection of these forums are highlighted below.

International Symposium on the Promotion of Deforestation-Free Global Supply Chains to Contribute to Halting Deforestation

Productive forests and their associated supply chains are crucial for achieving the SDGs and the Aichi Biodiversity Targets, according to Dr Dieterle. Speaking at this symposium, held on 23–24 January in Tokyo, Japan, Dr Dieterle said that while deforestation had been the subject of considerable global deliberation, forest degradation had been underestimated. "In our view, forest degradation is a significant omission from the international forest regime and needs urgent attention," he said.

International Seminar: Key to Expand REDD+, Approaches and Challenges Learned from Practices in the Field

REDD+ should pay more attention to combating forest degradation, which is now the biggest cause of greenhouse-gas emissions in tropical forests, according to Dr Dieterle. Speaking at this seminar, held on 7 February, in Tokyo, Japan, Dr Dieterle said that directing REDD+ funds towards SFM and sustainable value chains in the tropics could bring about a globally significant reduction in greenhouse-gas emissions, not only in forests but through the substantial substitution of non-renewable resources with wood products.

Working across Sectors to Halt Deforestation and Increase Forest Area—from Aspiration to Action

This conference, convened on 20–22 February by the Collaborative Partnership on Forests (of which ITTO is a founding member) in Rome, Italy, brought together more than 300 participants to explore ways of accelerating progress in halting and reversing deforestation. Conference participants called for action to change negative public perceptions on the use of sustainable wood compared with non-renewable materials; provide finance, training and education to sustainably produce wood; create an enabling environment through improved governance and the rule of law; promote sustainable wood products to create demand; and provide incentives for good players in the forest sector.

International Conference on Forestry Training: Addressing the Challenges of Training for Sustainably Managing the Congo Basin Forests

This conference, held in Douala, Cameroon, on 5–7 March, stressed that the forests of the Congo Basin require trained and skilled human resources to ensure their sustainable management. The Congo Basin subregion harbours the world's second-largest tropical rainforest—with an area of more than 200 million hectares.

Speaking at the conference, which was co-convened by ITTO and the Central Africa Forestry and Environment Training Institutions Network, Dr Dieterle highlighted the importance of trained human resources for improving forest management practices, increasing the efficiency of timber-processing and creating state-of-the-art wood applications. He noted the innovative approach of the training modules launched at the conference, including the use of ITTO's criteria and indicators for the sustainable management of tropical forests.

Asia Pacific Regional Workshop on Transboundary Biodiversity Conservation: Empowering Forestry Communities and Women in Sustainable Livelihood Development

Massive efforts are needed to build the capacity of stakeholders involved in transboundary conservation areas (TBCAs), according to participants at this regional workshop, held in Pontianak, West Kalimantan, Indonesia, on 6–8 March.

The workshop, which was attended by about 65 stakeholders, was organized by Indonesia's Ministry of Environment and Forestry in cooperation with ITTO. ITTO has been a leading sponsor of TBCAs since 1994, supporting the establishment of more than 10 million hectares of TBCAs across the tropics, around one-third of which are in Asia. The workshop was held as part of ITTO project PD 617/11 Rev.4 (F).

13th Session of the United Nations Forum on Forests

At this meeting, which took place on 7–11 May in New York, USA, ITTO provided inputs to the Collaborative Partnership on Forests' Work Plan 2017–2020, included on the omnibus resolution. An ITTO staff member presented at a side-event, "Sustainable wood for a sustainable world", on the increasingly important role of wood products and sustainable supply chains in efforts to create a more circular global economy.

ITTO and Honduras sign project agreement on lesser-used timber species

ITTO and the Government of Honduras signed an agreement in April on the implementation of a project [PD 770/15 Rev.1 (I)] to improve the silviculture, marketing and use of 12 lesser-used timber species abundant in the Honduran Caribbean. Until now, forest harvesting in Honduras has focused on a few high-value timber species, such as mahogany (*Swietenia macrophylla*), cedar (*Cedrela odorata*) and granadillo (*Dalbergia retusa*), putting pressure on these species, causing negative ecological impacts and reducing the potential economic benefits of forestry. The aim of the project is to shift the forest sector away from traditional selective logging and promote SFM covering a broader range of tree species.

International Workshop on Global Green Supply Chain of Forest Products and Dialogue with Chinese Leading Timber Enterprises

The aim of this ITTO-co-convened workshop, which was held in Beijing, China, on 21–22 June, was to establish and promote green timber supply chains. In his address to participants, Dr Dieterle said that the workshop was central to ITTO's mandate to promote the expansion of international tropical timber trade from legal and sustainable sources. Chinese manufacturers of timber products are placed right in the middle of the tropical timber supply chain, he said, from production, through processing to the marketing of finished wood products in international markets. They face challenges, therefore, but they also have the opportunity to be major drivers of SFM through green supply chains.

Asia Regional Meeting on the CITES Tree Species Programme

Participants at this meeting in Jogjakarta, Indonesia, on 25–29 June called for more training on the preparation of non-detriment findings for CITES-listed tree species as a way of improving the regulation of trade in CITES-listed tree products.

The aim of the CITES Tree Species Programme (CTSP), which commenced when a funding contract was signed between the CITES Secretariat and the European Commission in early 2017, is to support countries that export valuable parts and derivatives of CITES-listed tree species. The CTSP is continuing the work carried out

Workshop to Discuss Implementation of Madagascar's Use Plan ("Business Plan") for Securing and Disposing of Stockpiles of Rosewood and other Precious Woods

This workshop, held on 19–21 June in Antananarivo, Madagascar, has started a process for dealing with Madagascar's stockpiles of precious woods listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Co-hosted by the Government of Madagascar (Ministry of Environment, Ecology and Forests), the World Bank and ITTO, the workshop assembled more than 30 stakeholders from the Government of Madagascar, donor/importer country governments, civil society, the private sector, academia and international organizations to provide inputs to a business plan for managing the stockpiles. The Government of Madagascar submitted a revised business plan to the 70th meeting of the CITES Standing Committee in October.

Madagascar's populations of rosewood and ebony were listed in CITES Appendix II in 2013. An export ban is in place for these species due to the country's difficulties in implementing the provisions of the CITES listing, including dealing with significant stockpiles of the species, which have accumulated mostly outside government control.

for more than a decade by the ITTO–CITES Programme, which came to an end in 2016. More than 900 tree species, many of which are highly valuable, are listed in the CITES Appendices.

The CTSP Regional Meeting for Asia, which was organized by ITTO, the CITES Secretariat and the Indonesian Government's Directorate General of Nature Resources Conservation and Ecosystem, was attended by about 50 people from eight countries in the region. It provided an overview of the CTSP and its work to date; reviewed national project proposals; and made recommendations on various issues related to CITES implementation for tree species.

ITTO and INBAR strengthen cooperation

ITTO and the International Network for Bamboo and Rattan (INBAR) agreed to increase their collaboration on the sustainable management, use and trade of tropical bamboo and rattan resources and enabling South–South cooperation. Dr Dieterle and the Director General of INBAR, Hans Friederich, signed a memorandum of understanding (MOU) on 25 June on the first day of the Global Bamboo and Rattan Congress 2018 held in Beijing, China. At the conference, ITTO co-organized, led or participated in a high-level dialogue on bamboo and rattan for climate change and green growth; a session on sustainable tropical forest management; and a session on policy facilitation for bamboo and rattan commodities.

The MOU will provide a framework for the implementation of joint activities and projects aimed at the conservation, sustainable management use and trade of tropical bamboo and rattan within countries that are members of both organizations.

Sustainable Wood for a Sustainable World

Speaking at this panel discussion, held during the 24th session of FAO's Committee on Forestry and sixth World Forestry Week in Rome, Italy, on 16–20 July, Dr Dieterle said that governments needed to do more to encourage SFM in the tropics, including by providing incentives. "In many countries, unsustainable production is more profitable than sustainable practices, which are more expensive," he said. "So we need a revolution in terms of how the public sector is providing incentives and how it promotes sustainable forest management against unsustainable forest management."

18th Malaysian Forest Conference: Advancing Sustainable Forestry through Digitalization and Technology

A holistic approach to SFM is needed in the tropics to maximize the contributions of the tropical forest sector to global needs, according to Sheamala Satkuru, ITTO Director of Operations, speaking at this conference held in Kuching, Sarawak, Malaysia, on 31 July–2 August. The increasing global population will demand more timber, more forest products and more food, said Ms Satkuru. "A cross-sectoral approach between forestry and agriculture needs to be enhanced to enable concerted solutions on land-use management to meet current and future challenges."

CITES Tree Species Programme Regional Meeting for Central and South America and the Caribbean

At this regional meeting, convened in Buenos Aires, Argentina, in October under the CTSP, representatives of participating Parties to CITES shared experiences on managing CITES-listed tree species. Among other things, they discussed paragraph (f) of CITES Decision 16.162 (Rev. CoP17) on *Bulnesia sarmientoi* and *Aniba rosaeodora*. A parallel meeting was convened with Interpol's project LEAF, which is working with law enforcement agencies in the region to improve the enforcement of forestry and environmental laws.

The Workshop on Fiscal Mechanisms for a Sustainable Forest Sector

This workshop, which was co-convened by ITTO and the World Bank in Washington, DC, in October, brought together about 50 experts across disciplines to discuss fiscal policy mechanisms that can reduce deforestation and forest degradation and contribute to SFM.

Expo Forestal 2018 +Biodiversidad +Tecnología+Productividad

At this event, which took place in Guadalajara, Mexico, on 11–13 October, Dr Dieterle gave a keynote presentation on the role of productive forests and the trade of forest products in sustainable development. ITTO also showcased its work in Latin America during the Expo and networked with government authorities and representatives of the private sector.

International Workshop for Heads of Forest Research Institutions

Tropical forests and wood products are crucial for restricting global temperature rise, but more knowledge and capacity is needed, according to Dr Dieterle, speaking at this workshop held in Beijing, China, on 26 October to commemorate the 60th anniversary of the Chinese Academy of Forestry. "The world can only achieve the 2030 Sustainable Development Goals and the 2050 target of a 1.5 °C temperature increase if we radically reduce the consumption of non-renewable products and energy," said Dr Dieterle. "Forests and substitution by wood products have the potential to close this mitigation gap. I firmly believe that together we can make a significant contribution."

First Expert Meeting on Forest Landscape Restoration in the Tropics

This expert meeting was organized under the Collaborative Partnership on Forests Joint Initiative on Forest Landscape Restoration, with support from the Asian Forest Cooperation Organization, on 14–16 November in Bangkok, Thailand. It reviewed the ongoing FLR programmes of members of the Collaborative Partnership on Forests and discussed the revision of the 2002 ITTO restoration guidelines, recognizing the importance of formulating an operational guide to efficiently implement the globally agreed principles of FLR. The revision will provide technical and policy guidance on restoring degraded tropical forests and forestlands with the aim of achieving a more sustainable approach to land use and increasing the social and ecological benefits of FLR.

From Forests to Markets: Making Supply Chains Greener through Public–Private Partnerships

Earning income from FLR through sustainable supply chains is essential for sustainability, according to Dr Dieterle, speaking at this discussion forum convened in Bonn, Germany, on 2 December as part of the Global Landscapes Forum. The aim of the discussion forum was to promote a common understanding among stakeholders—including communities and the private sector—on the role of productive forests and legal and sustainable supply chains in sustainable landscape restoration and thereby to further the objectives of the Bonn Challenge, the New York Declaration on Forests and the SDGs. The forum was co-organized by ITTO, FAO and the Center for International Forestry Research.

Restoring Degraded Tropical Forests: Reconciling Carbon, Biodiversity and Community Resilience

Tropical forest degradation is responsible for more carbon losses than deforestation, and investing in restoration through landscape approaches linked to supply chains is essential, therefore, for limiting the global temperature increase to 1.5 °C, according to this side-event organized by ITTO and the Japan Forestry and Forest Products Research Institute. The side-event was held on 14 December in Katowice, Poland, at the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change. It explored the links between FLR, sustainable supply chains, community resilience, biodiversity conservation and climate-change mitigation.

For more information on these and other meetings, please visit www.ito.int/news



Panellists at the International Workshop on Global Green Supply Chain of Forest Products and Dialogue with Chinese Leading Timber Enterprises. Photo: R. Carrillo/ITTO



A mascot stands outside the ITTO booth at Expo Forestal 2018 +Biodiversidad+Tecnología +Productividad, Mexico. Photo: R. Carrillo/ITTO



Participants in the Asia-Pacific Regional Workshop on Transboundary Biodiversity Conservation. Photo: ITTO



Panellists at the international conference on forestry training in the Congo Basin. Photo: R. Carrillo



H.E. Héctor Alejandro Palma, Honduran Ambassador to Japan (left) and Dr Dieterle shake hands after signing an agreement on the implementation of a project to increase the use of lesser-used species in the Honduran Caribbean. Photo: K. Sato/ITTO



Speakers at the ITTO-FFPRI side-event, "Restoring degraded tropical forests: reconciling carbon, biodiversity and community resilience", at the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change. Photo: FFPRI



Sheamala Satkuru speaks at the Global Bamboo and Rattan Congress 2018. Photo: R. Carrillo



*Members of the MALEBI women's association in Côte d'Ivoire look at photos of their project activities.
Photo: R. Carrillo/ITTO*



7. Outreach

The aims of ITTO's outreach are to:

- 1) Enhance knowledge-sharing and dissemination.
- 2) Leverage knowledge through partnerships.
- 3) Enable knowledge use.
- 4) Deliver key messages on ITTO's work to the international community.

Much of ITTO's outreach is achieved through field projects, activities and cooperation with international partners, as outlined in other sections of this report. This section presents outreach activities conducted mainly by the ITTO Secretariat.

Tropical Forest Update

ITTO published four editions of the *Tropical Forest Update* (TFU)—a newsletter promoting the conservation and sustainable use of tropical forests—in 2018, with the following titles:

- 1) **Putting the pieces together** on the potential of sustainable forestry to supply wood and environmental services for a growing global population.
- 2) **The buzz on green supply chains** on the potential benefits of sustainable tropical-timber supply chains for stakeholders, from forest owners to end consumers.
- 3) **Keeping track of the forest** on monitoring tropical forests and tracking harvested forest products.

- 4) **Building bridges for SFM** on the management of transboundary conservation areas (plus a report on the 54th Session of the International Tropical Timber Council).

The TFU, which is distributed free of charge to about 15 000 individuals and organizations in more than 160 countries, got a new look in 2018. In addition to the hard copy, the TFU is available on the ITTO website¹ and via the TFU app (which can be obtained from App Store and Google Play²).

Tropical Forest News

ITTO continued to publish its e-newsletter, *Tropical Forest News*, in 2018, providing subscribers with timely insights into ITTO's work and other relevant news and events. *Tropical Forest News* can be subscribed to via "Quick links".

Technical Series

ITTO published *A Tabling of Views* in 2018 as part of its Technical Series. This report by ITTO and IMM is based on a comprehensive survey of the private sector and constitutes an excellent source of information for stakeholders interested in EU furniture market trends.³

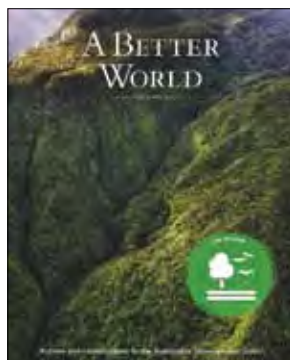
1 www.itto.int/tropical_forest_update/

2 Keywords = TFU ITTO

3 All ITTO publications are available at www.itto.int/resources



Ecosystems, Biodiversity and People is an output of ITTO project PD 635/12 Rev.2 (F).



The publication, A Better World, features a chapter written by ITTO.



Dr Dieterle is interviewed by a journalist at Expo Forestal 2018 in Guadalajara, Mexico. Photo: R. Carrillo/ITTO

Publications of ITTO projects and activities

The publications listed below were produced by ITTO projects and activities in 2018 and disseminated through ITTO media.

- Report of the Asia-Pacific Regional Workshop on Transboundary Biodiversity Conservation: Empowering Forestry Communities and Women in Sustainable Livelihood Development, which took place in Pontianak, West Kalimantan, Indonesia, on 6–8 March 2018.
- *Ecosystems, Biodiversity and People*—a technical report describing the results of several studies conducted under ITTO project PD 635/12 Rev.2 (F): “Buffer zone management for Pulong Tau National Park with involvement of local communities in Sarawak, Malaysia”.
- Training modules on SFM for the Congo Basin—one of the modules is targeted at university students and the other is directed at field technicians in forestry. The two modules were launched at the International Conference on Forestry Training: Addressing the Challenges of Training for Sustainably Managing the Congo Basin Forests in March 2018. The conference and modules are outputs of ITTO project PD 456/07 Rev.4 (F): “Building the capacities of forestry training institutions members of the Network of Central African Forestry and Environmental Training Institutions (RIFFEAC)”.

ITTO in outside media

Many results of the Organization’s work were disseminated in other media in 2018, as illustrated by the following examples.

- A chapter in the United Nations Convention to Combat Desertification’s book, *A Better World, Volume 4*, which highlights the role of productive forests as an underused resource for addressing

humanity’s biggest challenges. The publication, which was launched at the United Nations in September, focuses on SDG 15 (“life on land”).⁴

- Two papers co-authored by ITTO’s Steve Johnson on 25 years of criteria and indicators for SFM, published in the journal *Forests*.⁵
- An interview with Dr Dieterle by the European Forest Institute on the future of forest governance.⁶
- An article in the Panamanian newspaper *La Estrella de Panama*, which reported on a significant decrease in illegal logging due in part to the implementation of a timber-tracking project financed by ITTO.⁷
- A report in the *Borneo Post* on the collaboration fostered by ITTO between Sarawak in Malaysia and Kalimantan in Indonesia on transboundary conservation to protect water-catchment forests in the heart of Borneo.⁸
- An interview with Dr Dieterle by Mexico’s Forestry Agency (CONAFOR) on forests and climate change.⁹
- An article by Dr Dieterle published in the German journal *AFZ-DerWald* on the importance of economic value added in conserving and expanding forests.¹⁰

4 <http://digital.tudor-rose.co.uk/a-better-world-vol-4/78/>

5 www.mdpi.com/1999-4907/9/9/578 and www.mdpi.com/1999-4907/9/9/515

6 www.youtube.com/watch?v=7Tcbp55dakw&index=4&list=PLJhtngTCV-v-IlzEVcO6KGZ4aMXimEhsJ

7 <http://laestrella.com.pa/vida-de-hoy/planeta/32-madera-comercializa-panama-ilegal/24061780>

8 www.theborneopost.com/2018/03/10/state-to-work-with-kalimantan-in-protecting-watershed/

9 www.youtube.com/watch?v=KlIfgH_E7m8&feature=youtu.be

10 www.forstpraxis.de/



ITTO's new website

- Articles on the implementation of ITTO project PD 600/11 "Model capacity building for efficient and sustainable utilization of bamboo resources in Indonesia" published in the *Jakarta Post*¹¹, the online magazine *AgroIndonesia*,¹² and the website of the NGO *Puspijak*.¹³ The television programme *Halo Indonesia*¹⁴ also featured the project in one of its segments.
- An article on an ITTO project in *Ecosystems, Biodiversity and People*, the newsletter of the Brazilian National Hardwood Flooring Manufacturers' Association (ANPM).¹⁵

ITTO website¹⁶

In 2018 ITTO relaunched its website with a fresh look and more intuitive navigation aimed at making it easier for users to find the information they need. The revamped website features:

- A carousel presenting the latest stories on ITTO's work.
- Front-page access to ITTO's flagship publications—the quarterly *Tropical Forest Update* and the two-weekly *Tropical Timber Market Report*.

11 www.thejakartapost.com/news/2014/11/18/revitalization-project-aims-boost-bamboo-s-image.html and www.thejakartapost.com/news/2016/03/29/bamboo-rangers-spearhead-sustainable-management.html

12 <http://agroindonesia.co.id/2018/04/bambu-untuk-masyarakat-ngada>

13 <http://puspijak.org/index.php/berita/detail/190>

14 www.youtube.com/watch?v=jO6BOEU15hc

15 www.anpm.org.br/zona-tampao-pulong-tau-ecossistema-biodiversidade-e-pessoas-uma-nova-publicacao-do-projeto-itto/

16 www.itto.int



An officer scans a barcode on a plantation tree in Darien, Panama, as part of the country's timber-tracking system developed thanks to an ITTO project.

Photo: R. Carrillo/ITTO

- A new "resources" section, giving easy access to ITTO guidelines and other policy documents, as well as technical reports, publicity materials, videos and other products.
- A photo gallery of ITTO's field work available for public download and use. The gallery has a multi-parameter search function to help users find the photos most relevant to their needs.
- Links to ITTO's social media accounts on Facebook, Instagram, Twitter and YouTube.
- Buttons for subscribing to the *Tropical Forest Update*, the *Tropical Timber Market Report* and *Tropical Forest News*.

The website also provides:

- Links to general news on the tropical forest sector.
- Information on ITTO's calls for project proposals, the ITTO Fellowship Programme and forest-related events organized by ITTO, partners and other actors.
- Front-page access to ITTO's project/activity search function that, among other things, enables the public download of project outputs.
- Quick links to various areas of the website to provide further insights into the Organization's work.

YouTube channel¹⁷

At the end of 2018, 100 videos were available on ITTO's YouTube channel (compared with 70 videos at the end of 2017 and 35 at the end of 2016) showing various aspects of the Organization's work. Additions in 2018 included segments and interviews associated with the 54th Session of the International Tropical Timber Council; videos showcasing the empowerment of women through an ITTO project in Côte d'Ivoire on forest restoration,

17 www.youtube.com/user/ittosfm



Students from Tokai University visited ITTO to receive a talk about tropical forests and sustainable tropical timber trade. Photo: ITTO



ITTO's booth at Yokohama International (Kokusai) Festa 2018. Photo: Y. Kamijo

charcoal production and agroforestry; peacekeeping through forest restoration by refugees and displaced communities in Côte d'Ivoire; improving the living conditions of local communities in the Tacaná volcano forest area on the border between Guatemala and Mexico; improving SFM practices through new software for the preparation of forest management plans in the Brazilian Amazon; the sustainable use of bamboo resources in Indonesia; and testimonials on the benefits of forestry training and education in the Congo Basin.

Outreach in Japan

ITTO conducted several courtesy visits and dialogues with high-level authorities in its host country, Japan, in 2018, including:

- Courtesy visits to the Mayor of the City of Yokohama, Ms Fumiko Hayashi, and members of Yokohama City Council.
- A visit to ITTO headquarters by the Yokohama City Council's Committee on International Affairs, Economic Affairs, Port and Harbor.
- A courtesy visit to Komeito.

Other significant interactions between ITTO and the host city and country in 2018 included the following:

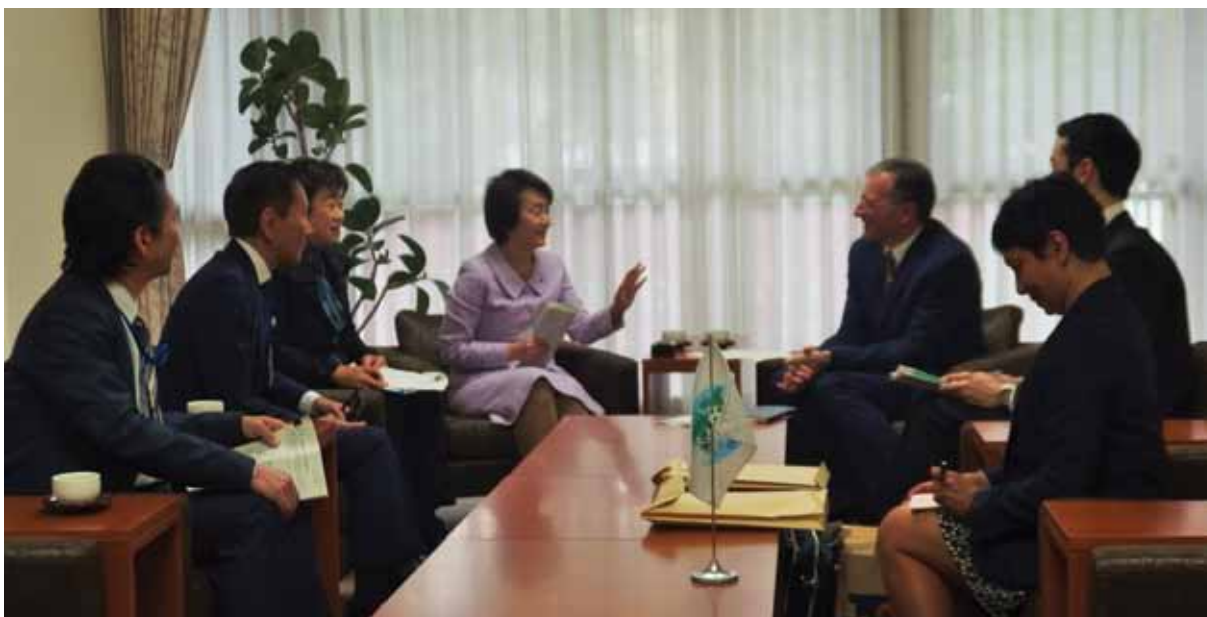
- ITTO's participation in the Global Seminar for Youth organized by YOKE.
- A communication strategy seminar for JICA.
- The installation of a new deck at ITTO headquarters featuring legal and sustainable tropical timber products, thanks to the generous support of the City of Yokohama.

- The welcoming of elementary school students for a lecture and visit to ITTO through the programme, *Let's Visit International Organizations*, organized by YOKE.
- ITTO's participation in the *Yokohama International (kokusai) Festa*.
- ITTO's hosting of Japanese interns from Yokohama National University and Meiji Gakuin University through the YOKE Internship Programme.
- The delivery of lectures on tropical forests and their contributions to the SDGs at Shin Ishikawa Elementary School, Yokohama Digital Arts Institute, Yokohama City University, Tokai University and YOKE's interns as part of the City of Yokohama's Lecture Delivery Programme.
- Opening addresses by Mr Hongo Koji, Deputy Director General of the Japan Forestry Agency, and Mr Watanabe Katsunori, Deputy Mayor of the City of Yokohama, at the 54th Session of the International Tropical Timber Council. Council delegates also visited Doshi village on a field trip organized by the City of Yokohama to showcase best practices in watershed management and the successful implementation of a payment scheme for environmental services.

Coverage of the 54th Session of the International Tropical Timber Council

A dedicated webpage provided comprehensive coverage and reporting of the 54th Session of the International Tropical Timber Council, including daily news and developments, presentations, photos, interviews and insights.¹⁸

¹⁸ www.itto.int/ittc-54



ITTO staff make a courtesy visit to the Mayor of the City of Yokohama, Ms Fumiko Hayashi, and members of the Yokohama City Council. Photo: ITTO



ITTO created this poster to celebrate the International Day of Forests 2018.

Publicity materials

The ITTO Secretariat produced banners highlighting how the work of the Organization contributes to the achievement of the SDGs as well as other publicity materials, such as an infographic for the International Day of Forests, ecobags, the 2018 calendar and flyers.

Social media

ITTO actively promoted ITTO's work and disseminated the outputs of its projects and activities through Facebook¹⁹, Instagram²⁰, Twitter²¹ and YouTube.

19 www.facebook.com/ittosfm

20 www.instagram.com/itto_sfm

21 https://twitter.com/itto_sfm



A community woman and a trainer participate in field activities as part of an ITTO-funded project in the Maues State Forest, Amazonas, Brazil. Photo: Institute of Amazonian Research and Development



8. Financial highlights

This chapter consists of two sections: an executive summary of ITTO's financial statements prepared by the ITTO Secretariat, and an extract of ITTO's audited financial statements. Both sections are part of the financial reports prepared in accordance with ITTO's Financial Rules and Procedures to be considered by the International Tropical Timber Council at its 55th Session in December 2019.

1 Executive summary of ITTO's financial statements for the year ended 31 December 2018 prepared by the ITTO Secretariat

The audited financial statements provide information on the financial position and performance of ITTO for the fiscal year ended 31 December 2018 (FY2018).

For ITTO's Project accounts in FY2018, new voluntary contribution pledges of USD 3.8 million were announced at the 54th Session of the International Tropical Timber Council ("the Council"), while total project cost expenses during this period were USD 4.7 million from projects mostly funded prior to FY2018. Total Administrative Account assessed contribution revenues were USD 7.1 million, of which USD 1.5 million was not received during FY2018 and was accounted for as assessed contributions receivable (arrears).

In November 2018 at its 54th Session, the Council adopted Decision 5(LIV) for enhancing the Organization's financing architecture and fundraising. Additional

fundraising approaches will be piloted and new streamlined project cycles and programme themes will be developed in coming years. In accordance with this decision, information on revenue and the direct and indirect costs associated with implementing this pilot will be reported in the financial statements for calendar years 2019, 2020 and 2021.

In accordance with the Financial Rules and Procedures, ITTO has adopted the International Public Sector Accounting Standards (IPSAS) as its standard for preparing its financial statements. As this is the third year of reporting under IPSAS, fixed assets are now recognized and reported because the exemption period for first-time adopters of IPSAS has ended. Among other highlights are the following:

1. The surplus for the FY2018 was USD 1.1 million due to differences in the timing of recognizing revenue and expenses (e.g. the entire Administrative Budget is recognized as revenue in the year that the assessments are due, but only expenses incurred during the same year are recognized as expenses from that year's budget).
2. Deferred revenue decreased by USD 2.2 million between 2017 and 2018. This is mainly because of projects pledged in prior years that made progress in 2018.
3. The main impacts of the initial recognition of fixed assets and software for FY2018 were USD 291 000 for property and equipment, USD 12 000 for intangible assets and USD 157 000 for lease obligations.

ITTO is committed to creating a solid foundation for transparent and effective financial management and reporting. In addition to the best practices for internal control previously implemented with the introduction of the Financial Rules adopted in 2016, ITTO adopted the Anti-Money Laundering and Counter Terrorism Financing Policy in 2018 to further strengthen its policy towards preventing fraud and financial mismanagement.

It is recommended that ITTO continues to implement and strengthen its internal controls and accountability measures by proactively evaluating and improving its systems and by adopting best practices from organizations similar in nature. At the same time, the importance of the Council's role as the governing body should be emphasized through regular reporting from ITTO and adequate oversight from Council members.

2 Extract of ITTO's audited financial statements for the year ended 31 December 2018

Statement of financial position as at 31 December (United States dollars)

	31 December 2018	31 December 2017
Assets		
Current assets		
Cash and cash equivalents	15 908 049	16 878 793
Investments	-	-
Assessed and voluntary contributions receivable	6 169 387	6 060 384
Other accounts receivable	43 905	60 686
Advance transfers – projects	1 515 793	1 691 886
Advance transfers – others	322 508	257 687
Total current assets	23 959 642	24 949 435
Non-current assets		
Property and equipment	290 661	99 307
Intangible assets	12 335	-
Other assets	-	-
Total non-current assets	302 996	99 307
Total assets	24 262 638	25 048 743
Liabilities		
Current liabilities		
Accounts payable – members	61 647	-
Voluntary contributions advance receipts – allocated	876 842	4 857 820
Voluntary contributions advance receipts – unallocated	443 943	284 326
Assessed contributions advance receipts	433 682	305 561
Other liabilities	715 387	921 187
Total current liabilities	2 531 501	6 368 894
Non-current liabilities		
Voluntary contributions advance receipts – allocated	11 764 348	10 031 805
Other liabilities	923 533	728 758
Total non-current liabilities	12 687 881	10 760 563
Total liabilities	15 219 382	17 129 456
Net of total assets and total liabilities	9 043 256	7 919 286
Net assets		
Accumulated surplus – restricted	5 795 068	4 976 350
Accumulated surplus – unrestricted	748 188	442 937
Reserves	2 500 000	2 500 000
Total net assets	9 043 256	7 919 286

Statement of financial performance for the year ended 31 December
(United States dollars)

	2018	2017
Revenue		
Administrative Account		
Assessed contributions	7 123 539	7 178 516
Other voluntary contributions	1 265 730	852 092
Financial revenue	14 656	15 197
Other income	971	1 185
Project Account		
Member states' voluntary contributions	4 418 350	3 377 631
Other voluntary contributions	-	66 268
Programme support revenue	403 721	198 265
Ex-post evaluation revenue	95 352	13 631
Financial revenue	46 013	20 764
Total revenue	13 368 331	11 723 551
Expenses		
Administrative Account		
Employee benefits	4 488 806	4 147 181
Operating expenses	2 514 504	2 580 772
Project Account		
Project expenses	4 721 327	4 373 490
Depreciation and amortization	61 015	69 494
Other expenses	458 710	586 467
Total expenses	12 244 361	11 757 404
Surplus/(deficit) for the year	1 123 970	(33 852)

Statement of cash flows for the year ended 31 December
(United States dollars)

	2018	2017
Cash flows from operating activities		
Surplus/(deficit) for the year	1 123 970	(33 852)
Adjustments to reconcile deficit/surplus to net cash flows		
Increase/(decrease) in allowance for doubtful receivables	469 182	559 409
Depreciation and amortization	61 015	69 494
Unrealized (gain)/loss on foreign exchange	(4 411)	(19 765)
Changes in assets		
(Increase)/decrease in assessed contributions receivable	(945 877)	(1 019 076)
(Increase)/decrease in voluntary contributions receivable	367 693	(3 664 255)
(Increase)/decrease in other accounts receivable	20 511	10 019
(Increase)/decrease in advance transfers – projects	176 093	(1 077 715)
(Increase)/decrease in advance transfers – others	(64 821)	(81 461)
Changes in liabilities		
(Decrease)/increase in Accounts payable – members	61 647	(41 038)
(Decrease)/increase in other liabilities	(159 293)	455 265
(Decrease)/increase in voluntary contributions advance receipts – allocated	(2 248 434)	2 534 012
(Decrease)/increase in voluntary contributions advance receipts – unallocated	159 617	(238 067)
(Decrease)/increase in assessed contributions advance receipts	128 121	(194 478)
Net cash flows from operating activities	(854 989)	(2 741 510)
Cash flows from investing activities		
Purchases of property and equipment	(64 930)	(20 624)
Purchases of intangible assets	(13 709)	-
Net cash flows from investing activities	(78 638)	(20 624)
Cash flows from financing activities		
Net proceeds from/(payment of) finance lease liabilities	(37 798)	(38 130)
Net cash flows from financing activities	(37 798)	(38 130)
Effect of exchange rate changes on cash and cash equivalents	681	17 522
Net (Decrease) in cash and cash equivalents	(970 744)	(2 782 742)
Cash and cash equivalents – beginning of year	16 878 793	19 661 535
Cash and cash equivalents – end of year	15 908 049	16 878 793

Audit report of the Anti-Money Laundering and Counter Terrorism Financing Programme, in accordance with Decision 3(LIV) of the International Tropical Timber Council

Takeshi Tanaka, a Certified Public Accountant licensed in Japan, conducted an internal audit of ITTO's implementation of its Anti-Money Laundering and Counter Terrorism Financing (AML/CFT) Programme to assess its adequacy and effectiveness. The audit covered the period from 1 January through 30 June 2019 in the first year of the programme's implementation, which included the screening of existing and future partners for the execution of projects.

Based on the procedures of the internal audit, it was concluded that, in accordance with Decision 3(LIV), ITTO has developed an adequate programme in order to eliminate the risk of partners using ITTO funds for unintended purposes.

To strengthen the adequacy and effectiveness of the programme, the following two recommendations were proposed, which were accepted by ITTO:

- The compliance officer has communicated to all staff within the Organization by email the purpose and goal of, and necessary steps for, the implementation of the AML/CFT Programme. It is recommended that a training meeting be held in the future so that all employees have the chance to increase their understanding of the programme.
- Because 2019 is the first year of adoption, the AML/CFT Programme has been implemented separately from the existing project cycle related to project formulation and implementation. The integration of the programme into existing project manuals and cycles is recommended to increase the effectiveness and efficiency of the entire ITTO administration process.

9. Member states and votes

Member states and votes (as of December 2018, under the International Tropical Timber Agreement, 2006)

With the accession of Venezuela (Bolivarian Republic of) to the International Tropical Timber Agreement, 2006 on 10 October 2018, ITTO has a total of 74 members.

Producer members (36)	2018 No. of votes	Consumer members (38)	2018 No. of votes
Africa		Albania	10
Benin	21	Australia	16
Cameroon	22	China	278
Central African Republic	21	European Union	375
Congo	22	Austria	10
Côte d'Ivoire	22	Belgium	15
Democratic Republic of the Congo	22	Bulgaria	10
Gabon	22	Croatia	10
Ghana	21	Cyprus	10
Liberia	21	Czech Republic	11
Madagascar	21	Denmark	11
Mali	21	Estonia	10
Mozambique	22	Finland	10
Togo	21	France	29
Asia & Pacific		Germany	19
Cambodia	19	Greece	11
Fiji	14	Hungary	10
India	28	Ireland	13
Indonesia	88	Italy	22
Malaysia	90	Latvia	10
Myanmar	49	Lithuania	10
Papua New Guinea	44	Luxembourg	10
Philippines	15	Malta	10
Thailand	37	Netherlands	29
Viet Nam	16	Poland	11
Latin America/Caribbean		Portugal	13
Brazil	120	Romania	10
Colombia	23	Slovakia	10
Costa Rica	13	Slovenia	10
Ecuador	18	Spain	14
Guatemala	12	Sweden	11
Guyana	15	United Kingdom of Great Britain and Northern Ireland	26
Honduras	12	Japan	156
Mexico	24	New Zealand	11
Panama	12	Norway	10
Peru	28	Republic of Korea	60
Suriname	14	Switzerland	11
Trinidad and Tobago	10	United States of America	73
Venezuela (Bolivarian Republic of)	20		
TOTAL:	1000	TOTAL:	1000



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